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SIPDIS  
STATE PASS TO OPIC  
STATE PASS TO USTR FOR DOLIVER AND AMALITO  
STATE PASS TO EXIMBANK FOR XCREQUE  
DEPT FOR WHA/CEN, WHA/EPSC:SGARRO, EEB/TTP/BT:RMANOGUE AND DGROUT

E.O. 12958: N/A  
TAGS: [ECON](#) [ETRD](#) [EINV](#) [PREL](#) [PGOV](#) [CS](#)  
SUBJECT: Costa Rica: National Trade Estimate Sections on SPS and Standards-Related Barriers

REF: 09 STATE 105978

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STANDARDS, TESTING, LABELING, AND CERTIFICATION  
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¶1. Under current regulations, the Ministry of Health must test and register domestically produced or imported pharmaceuticals, feeds, chemicals, and cosmetics before they can be sold in Costa Rica. As implemented, this system appears to be enforced more rigorously on imported goods than on domestically produced goods. Regulations exist for imported goods, but older regulations do not always reflect current accepted international standards, including safety practices. In general, the newer the regulation, the more likely it reflects current international standards.

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SANITARY AND PHYTOSANITARY MEASURES  
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¶2. Costa Rica also requires that all imported food products be certified as safe and allowed for sale in the country of origin in order to be registered. Certificates are not available for all U.S. products, and traders have expressed concern regarding the length of time it takes to register a product under this process, which can take months. The delays associated with fulfillment of these import requirements are burdensome and costly to U.S. exporters.

¶3. The Ministry of Agriculture and Livestock enforces certain sanitary and phytosanitary (SPS) measures that appear to be inconsistent with international standards, and the differences do not appear to be based on science (e.g., zero tolerance for salmonella on raw meat and poultry products).

¶4. Costa Rica ratified the Cartagena Protocol on Biosafety in November 2006, but additional regulations are needed for Costa Rica to implement the Protocol. To date, imports of U.S. products have not been affected and continue to be imported under previous conditions (i.e., only a phytosanitary import certificate is required).

¶5. Costa Rica has recognized the equivalence of the U.S. food safety and inspection system for beef, pork, and poultry, thereby eliminating the need for plant-by-plant inspections of U.S. producers.

¶6. In August 2008, Costa Rica fully opened its market to all U.S. beef and beef products in line with the World Organization for Animal Health (OIE) guidelines for "controlled risk" countries for Bovine Spongiform Encephalopathy (BSE). The OIE categorized the United States as "controlled risk" for BSE in May 2007. Prior to August 2008, Costa Rica prohibited imports of U.S. bone-in beef from cattle of any age and some offals and variety meats. Costa Rica based its import prohibition on the 2003 discovery of a BSE positive animal in the United States.

¶7. In 2008, Costa Rica and the other four Central American Parties to the U.S.-Central American-Dominican Republic Free Trade Agreement (CAFTA-DR) notified the WTO of a set of microbiological criteria for all raw and processed food products imported into any of these countries. The United States has some concerns with these criteria and in May 2008 submitted comments to the five countries. The Central American countries are currently evaluating possible amendments to the proposed criteria.

¶8. The Food and Drug Administration (FDA) and Foreign Agricultural Service (FAS), with FAS as lead agency, have worked with the CAFTA-DR countries to improve the capacity of their laboratories in the areas of pesticide detection and microbiology and thus encourage export of agricultural products to the U.S. As a complement to this "Trade Capacity Building" program, FAS worked with the Borlaug Institute of International Agriculture, Texas A&M, to provide training to Central American officials in the surveillance and detection of salmonella in food products in October of 2009. One Costa Rican scientist attended the training.

¶9. The U.S. Food and Drug Administration opened an office in San Jose, Costa Rica in January 2009 to help improve bilateral and regional cooperation on food safety and SPS issues.

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#### CITATIONS

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¶10. Paragraph One: In this, the 2010 update of the NTE, we eliminated the sentence in the 2009 version of the NTE referring to ongoing negotiations by the five Central American parties to CAFTA-DR to develop common standards for several products, notably distilled spirits. The FAS office in Costa Rica knows of no complaints from importing companies and we are not familiar with negotiations in this regard.

¶11. Paragraph Two: The FAS and FDA offices in Costa Rica both confirm the content of this paragraph. FDA states that it has issued "certificates of free sale" stating that a given product is sold freely in the USA. FAS states that delays in registration are a common industry comment, but not to the point that anyone wants to make an official complaint.

¶12. Paragraph Three: The zero tolerance for salmonella is a long-standing Costa Rican regulation, posted on the official website: <http://www.senasa.go.cr/decretosejecutivosvigentes.html>. The argument is that foreign countries (i.e. the U.S.) have different antibiotic resistant strains that justify Costa Rica's "zero tolerance" position. This Costa Rican reasoning is evidently consistent with the European position. Nevertheless, US chicken is being successfully imported into Costa Rica, although not in large quantities. We speculate that the testing regime is such that the "zero tolerance" criteria has not yet been a barrier to those imports.

¶13. Paragraph Four: The Cartagena Protocol requires that products from Genetically Modified Organisms ("GMO products") be identified as such. In Costa Rica this requirement applies to grains.

¶14. Paragraph Seven: This statement remains unchanged from last year, as the decision by the Central American CAFTA-DR countries is still delayed, which FAS sees as positive for United States interest. Among the criteria, the key factor is the "zero tolerance" for Salmonella.

¶15. Paragraph Eight: Despite this sustained effort on the part of the USG to influence the microbiology debate, particularly as it relates to salmonella, we believe that Costa Rica is unlikely to move from its "zero tolerance" position.

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DISTRIBUTION AND DOCUMENTATION

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¶16. We will send a Word document via e-mail to the Office of the United States Trade Representative (USTR) as specified in reftel. The document will contain paragraphs one through nine above. With that same e-mail we will include a background document on the Salmonella issue in Central America.  
WILSON